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NEWS RELEASE

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**Legislature Prioritizes Competitive Economic Incentive
Modernization Budget, House Bill 2009 Heads to Senate**

*Framework invests in equitable, sustainable research and development outcomes
through strategic investments in SIP and Enterprise Zones*

SALEM, Ore. - Today, the House of Representatives passed House Bill 2009, greenlighting the 2023-2025 Economic Incentives Modernization Budget framework. This framework, paired with Oregon CHIPS, will bolster Oregon's economy and ensure good-paying jobs by growing long-term, sustainable businesses. These investments will enhance and reinforce Oregon's status as a key player in the United States semiconductor industry and is based on recommendations from the [Oregon Semiconductor Competitiveness Task Force](#).

The bill sets an initial \$35 million cap on tax credits for the upcoming biennium with flexibility for adjustments in future years. The Legislative Revenue Office anticipates about \$25 million in revenue impact in the upcoming biennium. The Legislature will have an opportunity to review the tax credit formula in 2024.

The Research and Development tax credit is designed to be competitive nationally and helpful for Oregon businesses applying for federal CHIPS and Science Act grants — a roughly \$52 billion pot of federal funding that must be applied for within a set timeframe.

“This session we acted to secure the future of our semiconductor economy and ensure stable, well-paying jobs for Oregonians for years to come,” said **Senator Mark Meek (D-Gladstone)**, co-chair of the Joint Committee on Tax Expenditures. “This was a once-in-a-generation opportunity and I’m proud the Legislature rose to the occasion.”

Earlier this session, the Legislature delivered a \$210 million investment in the Oregon semiconductor industry through [Oregon CHIPS](#), which positions Oregon businesses to compete for this time-sensitive federal funding. The 2023-2025 Economic Incentive Modernization Budget package (House Bill 2009) will set companies up to apply for this funding.

House Bill 2009 will also help companies regardless of whether they’re eligible for Oregon CHIPS funding and complement existing grants to business, local government and universities, to invest intentionally in the economic strength of the state and the nation.

The Economic Incentive Modernization Budget package includes:

Extending the Enterprise Zone Program

- Ensuring transparency and accountability by updating reporting requirements and requiring notification of neighboring communities of potential impact on essential infrastructure and utilities like water and power
- Providing technical assistance for counties, cities, and ports considering or negotiating a proposed enterprise zone project
- Retaining funds for K-12 schools through a new negotiated fee
- Prohibiting retail fulfillment centers from utilizing Enterprise Zones

Updating The Strategic Investment Program

- Improving contract and agreement training services and support for applicants
- Ensuring emergency services consultation for new projects and initiatives
- Giving Oregonians a fair shot at good-paying jobs by requiring companies to participate in a local job fair and list new positions on [WorkSource](#) Oregon
- Establishing the first-ever legislative program review of the SIP since it was created 30 years ago
- Updating investment eligibility thresholds and indexing them to inflation to better align with today’s dollar value

“We’re doing this the Oregon way,” said **Representative Nancy Nathanson (D-North Eugene)**, Chair of the Joint Committee on Tax Expenditures and the House Revenue Committee. “With this

bill, we're modernizing tax expenditures in line with Oregon values, and keeping our state competitive on a national scale."

The Joint Committee on Tax Expenditures passed House Bill 2009 [yesterday](#) and the bill passed off the House floor Wednesday by a vote of [47-4](#). Next, it will go to the Senate for consideration.

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